

**A-G79 @B9CI G'H9LH'fl 97 : cfa ' - - L**

PAGE 1 / 3

Harmon, Curran, Spielberg & Eisenberg, LLP  
1726 M Street, N.W., Suite 600  
Washington, DC 20036

October 11, 2012

Ms. Ashley Carter  
Reports Analysis Division  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Identification Number: C00521013  
RE: 2012 July Quarterly Report (4/1/2012-6/30/2012)

Dear Ms. Carter:

I am writing as counsel to Florida Freedom PAC (?FFP?) in response to the Commission?s request for additional information related to the description of certain disbursements disclosed on Schedule B, supporting Line 21(b) of the above referenced report filed by FFP. The committee has amended the July Quarterly Report to provide more specific descriptions for these itemized disbursements.

In addition, the Commission has also inquired about the disclosure of reimbursements to staff and other individuals for travel, subsistence and other expenses on Schedule B, supporting Line 21(b). The amended report itemizes the reimbursements, when required, according to Commission regulations. However, in some instances, receipts were not obtained by the individuals that were reimbursed and the committee is unable to provide additional information on these transactions.

Regarding the question relating to the travel stipends disclosed on Schedule B, supporting Line 21(b), all travel stipends were paid using checks or included in employee salaries. No travel stipends were paid using petty cash.

You have also inquired about the apparent failure to file a timely 48-hour report, as required by 11 CFR ? 104.4(b). FFP acknowledges that it should have filed a 48-hour report prior to July 2, and that, in failing to do so, it violated ? 104.4(b). However, the extent of the violation is less than it may at first appear.

The payment you cite was the \$48,555.27 paid to Florida New Majority (?FNM?), a Florida nonprofit corporation that acted as FFP?s agent as FFP was establishing its accounting and payroll systems following FFP?s creation in May of this year. The funds transferred to FNM on June 18 were an estimate of the amounts to be paid to door-to-door canvassers and expenditures in support of that canvass for canvassing expressly advocating the reelection of President Obama that began on that day and that continued through the end of the month. During that period, numerous canvassers worked for FFP to contact Florida voters and distribute literature, and FFP incurred expenses for food, gasoline, and other canvass-related costs. These expenses were for communications made throughout the effort, some on the first day of the canvass and some on subsequent days through the end of the month. The employees engaged in these efforts were hourly employees whose compensation varied depending on their availability and the needs of the canvass, and the expenses they incurred were likewise unpredictable. This made it impossible to know the amount each employee was to be paid and the amount of the expenses incurred until time records were reviewed at the end of each pay period and requests for reimbursements were submitted.

Thus, the payment you cite was for some communications on June 18 and others later in the month. At some point on or after June 18, FFP?s expenditure exceeded the \$10,000 threshold that should have triggered a 48-hour report that would

\*\*\*\*\*

**A-G79 @B9CI G'H9LH'fl 97 : cfa ' - - L**

PAGE 2 / 3

have been due by 11:59 p.m. two days after that threshold was reached. Unfortunately, FFP failed to keep adequate records to document the date that report would have been due or the amounts expended later in the month that would have triggered additional 48-hour reports.

The committee would like to acknowledge a similar 48-hour reporting problem related to the in-kind support FFP received from the Service Employees International Union PEA-Federal committee (?SEIU PEA?). (This is the same in-kind support mentioned in regard to the reported receipts, disbursements, and cash-on-hand totals, as discussed below.) SEIU PEA provided \$210,915.52 in in-kind support to FFP in the form of a door-to-door FFP canvass expressly advocating the reelection of President Obama that began on June 11 and continued through the end of the month. As with FFP's cash expenditures for canvassing, this FFP canvass conducted with in-kind SEIU PEA support should have triggered a 48-hour report that would have been due on or at some point after June 13, 2012. In fact, no reports were filed related to this in-kind support until FFP filed its quarterly report on July 2, and FFP lacks adequate records to document how much of this in-kind support was provided each day between June 11 and June 30.

Because the committee lacks the day-by-day data of its expenditures or the in-kind support received from SEIU PEA for June, FFP is not able to produce, at this time, the accurate 48-hour reports that should have been filed. In any event, all of these independent expenditures have since been reported in the July quarterly report (including clarifications made in the amended report). For these reasons, FFP suggests that it would be impossible and would serve no policy purpose to attempt to produce these 48-hour reports now, after the fact. However, should the Commission find the filing of such a 48-hour report to be necessary, we would suggest that the committee file a single 48-hour report for all of these independent expenditures.

This is similar to the approach that the committee has taken since the end of the second quarter. Beginning in July, in an attempt to comply with its 48-hour reporting requirements and fulfill the underlying policy goals of providing timely, transparent reporting of its independent expenditures, FFP has filed a 48-hour report at the beginning of each month estimating its canvass expenses for the coming month and then amended that report to reflect actual expenditures once the amounts are known. FFP would welcome the Commission's suggestions for improvements on this method of reporting.\*

Finally, the committee would like to acknowledge a difference in the total receipts, disbursements and cash on hand totals disclosed on the summary pages of the original July Quarterly Report and the July Quarterly Report amendment. The difference in the receipts stems from an estimated in-kind contribution from the SEIU PEA that was disclosed as an actual in-kind contribution total on the amended report (the same in-kind contribution discussed above), which in the original report inadvertently included in-kind support provided after the end of the quarter. With regard to the disbursements, the committee inadvertently used the incorrect data from its accounting software to compile the original July Quarterly report. This issue was corrected while preparing the amendment to the July Quarterly report.

If you have any further questions regarding this mater, please feel free to contact me at 202-328-3500.

Very truly yours,

John Pomeranz  
Counsel to Florida Freedom PAC

cc: Gihan Perera, Treasurer, Florida Freedom PAC

\* I note that I have previously urged the Commission to address the problems of reporting for groups engaged in canvassing and similar operations in comments I filed in September 2011 in response to the Commission Draft Interpretive Rule on When Certain Independent Expenditures

\*\*\*\*\*

**A-G7 9 @5 B9CI G'H9LH`fl 97 : cfa `--L**

PAGE 3 / 3

are "Publicly Disseminated" for Reporting Purposes. I note further that there is at least some ambiguity about to degree to which door-to-door canvassing is subject to regulation under FECA. See, e.g., MUR 5564, Statement of Reasons of Vice Chairman David M. Mason and Commissioner Hans A. von Spakovsky at page 9, arguing that canvassing does not constitute "general public political advertising." However, FFP does not dispute that its independent expenditures for canvassing are subject to FECA reporting obligations and only seeks the Commission's understanding of and assistance in addressing the difficulties compliance entails.

\*\*\*\*\*